

UNITY ENERGY CORP.

Management's Discussion and Analysis

Year Ended March 31, 2017

July 28, 2017

UNITY ENERGY CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended March 31, 2017

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Unity Energy Corp. (the "Company" or "Unity") was incorporated in British Columbia under the *Business Corporations Act* (British Columbia) and is engaged in the acquisition, exploration and development of resource properties. The Company's common shares are listed for trading on Tier 2 of the TSX Venture Exchange (the "Exchange") under the symbol "UTY".

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the year ended March 31, 2017 and is prepared as of July 28, 2017. The MD&A should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended March 31, 2017 and the audited annual consolidated financial statements for the year ended March 31, 2016 and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Information

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and the Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect management's expectations or beliefs regarding future events and include, but are not limited to, the Company and its operations, its planned exploration activities, the adequacy of its financial resources and statements with respect to the estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Description of Business

Unity Energy Corp. is an exploration stage company engaged in the acquisition, exploration and development of resource properties. As at March 31, 2017, the Company has interests in the following resource properties:

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1. McKenzie Lake

On July 24, 2008 as amended on November 12, 2009, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "McKenzie Lake Property", located in the Province of Saskatchewan, Canada. Consideration for the acquisition was payments of \$86,378 and the issuance of 55,555 common shares with a fair value of \$220,000. During the year ended March 31, 2011, the Company was reimbursed by the Saskatchewan Ministry of Energy and Resources for the \$46,378 assessment fees paid on December 23, 2009.

On December 30, 2009, final TSX Venture Exchange approval was received.

The Company has earned its 100% interest and has no other commitments under this option agreement.

The McKenzie Lake Property is subject to a 1% net smelter royalty ("NSR") royalty, which may be purchased by the Company for \$1,000,000.

On October 15, 2014, the Company staked additional ground at McKenzie Lake Project. The Company now controls 6,138 hectares just outside the eastern border of the Athabasca Basin.

During the year ended March 31, 2016, the Company recorded an impairment on the carrying value of the McKenzie Lake Property of \$750,223, reducing its carrying value to \$1.

During the year ended March 31, 2017, the Company incurred \$1,500 (2016 - \$6,000) in exploration expenditures on the McKenzie Lake Property.

2. Thorburn Lake

On February 22, 2010, as amended on May 24, 2012, January 25, 2013, March 24, 2015 and as further amended on August 19, 2015, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Thorburn Lake Property," located in the Province of Saskatchewan, Canada. Amended consideration for the acquisition consists of the following:

- a payment of \$10,000 (paid);
- the issuance of 20,833 common shares (issued with a fair value of \$82,500);
- complete \$100,000 in exploration expenditures within 1 year of the agreement (completed);
- a payment of \$10,000 on or before July 14, 2014 (paid);
- a further issuance of 183,333 common shares within 5 days of TSX Venture Exchange Approval of the August 19, 2015 addendum (issued with a fair value of \$55,000);
- a further cash consideration of \$50,000 on or before December 22, 2016;
- a further cash consideration of \$100,000 on or before December 22, 2017;
- a further cash consideration of \$150,000 on or before December 22, 2018;
- a further cash consideration of \$290,000 on or before December 22, 2019; and
- completion of \$1,000,000 in exploration work on or before December 22, 2019.

The TSX Venture Exchange approved this addendum on August 27, 2015.

On June 1, 2015, the Company allowed the reduction of the following claims for the Company's Thorburn Lake Property for cash conservation purposes:

Old Claim Number	Old Claim Size (Ha)	New Claim Number	New Claim Size (Ha)
S-111206	4,966	S-113953	1,009

The Thorburn Lake Property is subject to a 1% NSR royalty, which may be purchased by the Company for \$1,000,000.

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During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures and recorded an impairment on the Thorburn Lake Property of \$107,089, reducing its carrying value to \$1. Subsequent to year end, the Company terminated the Thorburn Lake option agreement.

3. Waterbury Lake

On March 23, 2010, as amended on May 18, 2012 and as further amended on January 4, 2013, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Waterbury Lake Property," located in the Province of Saskatchewan, Canada. Consideration for the acquisition consists of the following:

- the issuance of 25,000 common shares (issued with a fair value of \$135,000);
- a payment of \$50,000 on or before November 15, 2016 (paid);
- a payment of \$250,000 on or before November 15, 2017;
- a payment of \$400,000 on or before November 15, 2018;
- a payment of \$650,000 within 60 months of signing of the agreement; and
- completion of \$2,500,000 in exploration work within 3 years of the signing of the agreement.

The Waterbury Lake Property is subject to a 1% NSR royalty, which may be purchased by the Company for \$1,500,000.

During the year ended March 31, 2016, the Company recorded an impairment on the carrying value of the Waterbury Lake Property of \$114,834 reducing its carrying value to \$1.

During the year ended March 31, 2017, the Company incurred \$5,775 (2016 - \$1,500) in exploration expenditures and \$50,000 (2016 - \$Nil) in acquisition costs on the Waterbury Lake Property. Subsequent to the year end the Company terminated the Waterbury Lake option agreement.

4. Close Lake

The Company controls 245 hectares located in the Province of Saskatchewan, Canada. The Close Lake Property is subject to a 1% NSR, which may be repurchased by the Company for \$1,500,000.

During the year ended March 31, 2015, the property was written down to a nominal value.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures on the Close Lake Property.

5. Hoppy Lake

On July 30, 2010, the Company acquired certain mineral claims, referred to as the "Hoppy Lake Property," located in the Province of Saskatchewan, Canada. The Hoppy Lake Property is subject to a 1% NSR which may be purchased by the Company for \$1,500,000.

During the year ended March 31, 2015, the property was written down to a nominal value.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures on the Hoppy Lake Property.

6. Lampin Lake

On August 25, 2010, and as amended on February 17, 2015, and further amended on November 18, 2016, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Lampin Lake Property," located in Saskatchewan, Canada. The Lampin Lake Property is subject to a 1% NSR, which may be purchased by the Company for \$1,500,000.

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The amended terms are as follows;

- \$20,000 (paid) and 27,778 Common shares within 5 days of regulatory approval (Issued with a fair value of \$233,469);
- A further cash consideration of \$50,000 on or before December 31, 2016 (paid);
- A further cash consideration of \$250,000 on or before December 31, 2017;
- A further cash consideration of \$300,000 on or before December 31, 2018; and
- Completion of \$2,000,000 in exploration expenditures on the Mineral Claims within 10 years of the signing of the agreement.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures and recorded an impairment on the Lampin Lake Property of \$50,000, reducing its carrying value to \$1. Subsequent to year end, the Company terminated the Lampin Lake option agreement.

7. Dickens Lake Property

On May 26, 2011, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Dickens Lake Property," located in the Province of Saskatchewan, Canada.

Consideration for the acquisition consists of the following:

- payment of \$30,000 (paid); and
- the issuance of 55,555 shares (issued with at fair value of \$1,420,000).

On June 1, 2011, final TSX Venture Exchange approval was received.

On October 2, 2012, the Company received final TSX Venture Exchange approval and executed a Plan of Arrangement Agreement with First Cobalt Corp. (formerly Aurgent Resources Corp.), under which the Company paid \$200,000 (paid); and received 2,121,833 shares of First Cobalt Corp. (with a carrying value of \$1,466,749).

On October 2, 2012, as per the Farm-out Agreement, the Company has received a 10% interest in the property from First Cobalt Corp. in exchange for a cash payment of \$205,000 to be expended on the property.

On June 2, 2015, the Company allowed the reduction of the following claims for the Company's Dickens Lake Property for cash conservation purposes:

Old Claim Number	Old Claim Size (Ha)	New Claim Number	New Claim Size (Ha)
S-111354	1,181	S-113948	227
S-112212	2,164		
S-112210	1,464		
S-112211	1,250		

This reduction did not have any adverse effect on the agreement with First Cobalt Corp.

During the year ended March 31, 2015 the Company recorded an impairment on the carrying value of the Dickens Lake Property of \$197,320 reducing its carrying value to \$7,680.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures and recorded an impairment on the Dickens Lake Property of \$7,679, reducing its carrying value to \$1.

8. Mitchell Lake Property

On September 14, 2011, the Company acquired certain mineral claims, referred to as the "Mitchell Lake Property," located in the Province of Saskatchewan, Canada. Consideration for the acquisition consists of the

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following:

- payment of \$30,000 (paid); and
- completion of \$2,500,000 in exploration expenditures on the property within four years of the signing of the agreement.

On April 15, 2016, the Company announced that it had entered into an agreement with 92 Resources Corp. ("92") whereby 92 can earn a 50% interest in the Mitchell Lake Uranium project. 92 can earn a 50% interest in the Property by paying \$100,000 to Unity within 12 months of TSX-V approval and by completing \$3,000,000 in exploration expenditures on the Property over the next 4 years.

During the year ended March 31, 2016, the Company amended its agreement with 92 Resources Corp. Under the amended terms, 92 can earn a 50% interest in the option by paying \$50,000 to Unity Energy Corp. (paid February 16, 2017) and by completing \$3,000,000 in exploration expenditures on the Property over the next 4 years. The Mitchell Lake Property is subject to a 1.5% NSR, which may be purchased by the Company for \$1,500,000.

During the year ended March 31, 2017, the Company incurred \$1,500 (2016 - \$6,000) in exploration expenditures and recorded an impairment on the Mitchell Lake Property of \$13,453, reducing the carrying value to \$1. Subsequent to year end, the Company terminated the option agreement with 92 Resources Corp. and its original option agreement for the Mitchell Lake Property.

9. Milliken Lake Property

On September 27, 2011, the Company acquired certain mineral claims, referred to as the "Milliken Lake Property," in the Province of Saskatchewan, Canada. The Milliken Lake Property is subject to a 1.5% NSR, which may be purchased by the Company for \$1,500,000.

During the year ended March 31, 2015, the property was written down to a nominal value.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) exploration expenditures on the Milliken Lake Property.

10. North Shea Property (Part of West Carswell Property)

On October 24, 2012, as amended on April 15, 2014, the Company entered in an option agreement to earn a 100% interest in certain mineral claims, referred to as the "North Shea Property," located in the Province of Saskatchewan. The amended terms are as follows;

- \$10,000 (paid) and 55,555 Common shares within 5 days of regulatory approval (Issued with fair value of \$110,000);
- A further cash consideration of \$10,000 within 18 months of the signing of the agreement (paid);
- A further cash consideration of \$100,000 within 22 months of the signing of the agreement (due, \$17,500 paid);
- A further cash consideration of \$100,000 within 30 months of the signing of the agreement;
- A further cash consideration of \$190,000 within 42 months of the signing of the agreement; and
- Completion of \$3,000,000 in exploration expenditures on the Mineral Claims within 4 years of the signing of the agreement.

On June 1, 2015, the Company allowed the reduction of the following claims for the Company's North Shea Property for cash conservation purposes:

Old Claim Number	Old Claim Size (Ha)	New Claim Number	New Claim Size (Ha)
S-111174	971	S-113954	636
S-111203	1,130	S-113955	384

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The North Shea Property is subject to a 1% NSR, which may be purchased by the Company for \$1,500,000. During the year ended March 31, 2016, the Company recorded an impairment on the carrying value of the North Shea Property of \$67,724 reducing its carrying value to \$1.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures on the North Shea Property. Subsequent to year end, the Company terminated the North Shea option agreement.

11. Douglas River Property (Part of West Carswell Property)

On March 7, 2013, the Company acquired the "Douglas River Property" located in the Province of Saskatchewan in Canada. Consideration for this acquisition consists of the following:

- 5,000 (Paid) and 55,555 Common shares within 5 days of regulatory approval of this agreement (issued with a fair value of \$100,000);
- A further cash consideration of \$150,000 within 18 months of the signing of the agreement;
- A further cash consideration of \$150,000 within 30 months of the signing of the agreement;
- A further cash consideration of \$200,000 within 42 months of the signing of the agreement; and
- Completion of \$3,000,000 exploration expenditures on the Mineral Claim(s) within 4 years of the signing of this agreement.

On February 16, 2016, the above mentioned terms were amended as follows:

Consideration for the acquisition consists of the following:

- \$5,000 (Paid) and 55,555 Common shares within 5 days of regulatory approval of this agreement (issued with a fair value of \$100,000);
- A further cash consideration of \$150,000 on or before October 31, 2016;
- A further cash consideration of \$150,000 on or before October 31, 2017;
- A further cash consideration of \$200,000 on or before October 31, 2018; and
- Completion of \$1,000,000 exploration expenditures on the Mineral Claim(s) within 6 years of the signing of this agreement.

This property is subject to a 1% NSR, which may be purchased for \$1,500,000, less all amounts received by the Owner as NSR payments.

During the year ended March 31, 2016, the property was written down to a nominal value.

During the year ended March 31, 2017, the Company incurred \$Nil (2016 - \$Nil) in exploration expenditures on the Douglas River Property. Subsequent to year end, the Company terminated the Douglas River option agreement.

12. Bory's Lake Project

On April 25, 2013, as amended on February 13, 2015, the Company entered in an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Bory's Lake Project," located in the Province of Saskatchewan.

The amended terms are as follows;

- 69,444 Common shares within 5 days of regulatory approval (Issued with fair value of \$62,500)
- Payment of \$75,000 within 18 months of the signing of the agreement(paid);
- Payment of \$525,000 within 30 months of the signing of the agreement;
- Payment of \$1,400,000 within 42 months of the signing of the agreement; and

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- Completion of \$4,000,000 in exploration expenditures on the Mineral Claims within 3 years of the signing of the agreement.

On November 12, 2015, the Company elected to terminate the Bory's Lake Option Agreement originally dated April 25, 2013 and as amended on February 13, 2015 with Geomode Mineral Exploration Ltd.

13. Dinty Lake Property

On June 3, 2013, the Company entered into an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Dinty Lake Property," located in the Province of Saskatchewan. Consideration for the acquisition consists of the following:

- the issuance of 69,444 common shares of the Company within 5 days of approval by the TSX-V (issued with a fair value of 37,500);
- a payment of \$100,000 within 18 months of signing of the agreement (paid);
- a payment of \$300,000 value to within 30 months of signing of the agreement;
- a payment of \$1,600,000 within 42 months of signing the agreement; and
- completion of \$3,500,000 in exploration work within 36 months of the signing of the agreement.

On June 7, 2013, final TSX Venture Exchange approval was received.

As at March 31, 2016, \$3,500,000 in exploration expenditures are due on the property and a payment of \$400,000 cash is due to the optionor. The Company is in negotiations with the optionor to extend the terms of payment and the option is still considered in good standing.

The Dinty Lake Property is subject to a 1% NSR, which may be purchased by the Company for \$1,500,000.

During the year ended March 31, 2016, the Company recorded an impairment on the carrying value of the Dinty Lake Property of \$132,737 reducing its carrying value to \$1.

During the year ended March 31, 2017, the Company incurred acquisition costs of \$100,000 (2016 - \$Nil) and incurred \$Nil (2016 - \$Nil) in exploration expenditures and recorded an impairment on the Dinty Lake Property of \$100,000, reducing the carrying value to \$1. Subsequent to year end the Company terminated the Dinty Lake option agreement.

14. Camsell Lake Property

On April 17, 2014, the Company entered in an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Camsell Lake Property," located in the Province of Saskatchewan. Consideration for the acquisition consists of the following:

- the issuance of 166,667 common shares of the Company within 5 days of approval by the TSX-V (issued with a fair value of \$160,000);
- a payment of \$20,000 within 5 days of approval by the TSX-V (paid)
- a payment of \$100,000 within 24 months of signing of the agreement;
- a payment of \$450,000 within 42 months of signing of the agreement and;
- completion of \$2,000,000 in exploration work within 5 years of the signing of the agreement.

The Camsell Lake Property is subject to a 1% NSR, which may be purchased by the Company for \$1,500,000.

On May 8, 2014, final TSX Venture Exchange approval was received.

On April 3, 2016, the Company terminated its option agreement for the Camsell Lake Property in an attempt to conserve capital. This resulted in an impairment of charge of \$187,500 being recognized during the year ended March 31, 2016.

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15. Gulch Mine Project

On May 21, 2014, the Company entered in an option agreement to acquire a 100% interest in certain mineral claims, referred to as the "Gulch Mine Project" located in the Province of Saskatchewan. Consideration for the acquisition consists of the following:

- a payment of \$100,000 upon signing of the agreement (paid)
- a payment of \$300,000 within 90 days of signing of the agreement;
- a payment of \$300,000 within 120 days of signing of the agreement;
- a payment of \$500,000 within 18 months of signing of the agreement and;
- completion of no less than \$300,000 in drilling on the mineral claims within 3 years of the signing of the agreement.

On June 19, 2015, the Company amended the Gulch Mine Property Option Agreement. Under the amended terms, the Company can earn 100% interest in the Gulch Mine Property by paying the following:

- a cash payment of \$100,000; (paid)
- issuing 166,667 Common Shares within 5 days of TSX Venture Exchange Approval of the addendum (issued);
- a further cash consideration of \$100,000 on or before May 21, 2017;
- a further cash consideration of \$100,000 on or before May 21, 2018; and
- a further cash consideration of \$100,000 on or before May 21, 2019;

A 2.5% Gross Overriding Royalty shall be reserved unto the Owner hereunder, of which 1% may be purchased at any time by Unity paying to the Owner \$1,000,000, less all amounts previously received by the Owner as royalty payments.

TSX Venture Exchange approval was received on June 25, 2015.

On August 12, 2015, the Company announced that it has entered into an agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever") whereby Aldever can earn a 90% interest in the Gulch Mine Property. The Company can earn a 80% interest in the option to acquire 100% interest in the Property by completing \$2,500,000 in exploration expenditures on the Mineral Claims within 5 years of the signing of the agreement, paying \$250,000 to the Company within 5 years of the signing of the agreement, and assume 100% of the commitments payable to the underlying vendor as follows;

- A cash consideration of \$100,000 on or before May 21, 2017;
- A further cash consideration of \$150,000 on or before May 21, 2018; and
- A further cash consideration of \$250,000 on or before May 21, 2019.

A 2.5% GOR shall be reserved unto the Owner hereunder, of which 1% may be repurchased at any time by Aldever paying to the owner \$1,000,000, less all amounts previously received by the Owner as GOR payments.

On July 5, 2016, the Company received a formal notice of termination from Aldever for the Gulch Mine Earn-In Agreement. On October 4, 2016, the Company terminated its option agreement for this project and recorded an impairment of \$144,576, reducing the carrying amount to \$Nil.

16. Carter Lake Project

On November 18, 2014, the Company entered into an agreement to earn 100% interest in certain mineral claims, referred to as the "Carter Lake Project" by issuing to the vendor the following:

- a payment of \$20,000 upon signing of the agreement (due, not paid);
- issuance of 200,000 common shares within 10 days of regulatory approval (issued with a fair value of \$66,000); and

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- completion of \$3,000,000 in exploration expenditures on the mineral claim within 6 years of the agreement

The Carter Lake Project is subject to a 2% net royalty interest, of which 1% may be purchased by the Company for \$1,000,000.

On January 17, 2015, the Company signed an earn-in agreement with Aldever Resources Inc. (formerly Glenmark Capital Corp.) ("Aldever"), whereby Aldever can earn an 80% interest on the mineral claims under the following terms:

- Payment of \$25,000 within 3 days of the signing of the agreement; (paid)
- Payment of \$25,000 within 90 days of the signing of the agreement; (outstanding)
- Payment of \$25,000 within 180 days of the signing of the agreement; (outstanding)
- Payment of \$25,000 within 270 days of the signing of the agreement; (outstanding)
- Payment of \$100,000 on the first anniversary of the signing of the agreement; (outstanding)
- Payment of \$100,000 on the second anniversary of the signing of the agreement;
- Payment of \$200,000 on the third anniversary of the signing of the agreement; and
- Completion of \$2,000,000 of exploration expenditures on the mineral claims within 6 years of the signing of the agreement.

During the year ended March 31, 2016, the Company recorded an impairment on the carrying value of the Carter Lake Property of \$60,999 reducing its carrying value to \$1.

On June 7, 2016, the Company received a formal notice of termination from Aldever for the Carter Lake Earn-In Agreement.

During the year ended March 31, 2017, the Company incurred \$19,649 (2016 - \$Nil) in exploration expenditures, fees and deficiency deposits on the Carter Lake Project.

During the year ended March 31, 2017, the Company terminated the Carter Lake Option Agreement.

17. Miller's Crossing Project

On November 25, 2015, the Company entered into an agreement to earn 100% interest in certain mineral claims, referred to as the "Miller's Crossing Project" by issuing each of the two vendors the following:

- 533,333 common shares upon regulatory approval (issued with a fair market value of \$312,000);
- Payment of \$50,000 on or before December 31, 2016;
- Payment of \$50,000 on or before December 31, 2017;
- Payment of \$10,000 on or before December 31, 2018; and
- The company must complete \$1,000,000 in exploration expenditures within 4 years of the signing of the agreement.

A 1% GORR has been granted to the vendor, of which ½% can be purchased by the Company for \$1,000,000.

During the year ended March 31, 2017, the Company incurred \$102,000 (2016 - \$Nil) in exploration expenditures, \$Nil (2016 - \$312,000) in acquisition costs, and recorded an impairment on the Miller's Crossing Project of \$413,999, reducing the carrying value to \$1.

Risk Factors

The Company is in the business of acquiring, exploring and, if warranted, developing and exploiting natural resource properties. Mineral property exploration is a speculative business and involves a high degree of risk. There is a probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore

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reserves, which are the basis to further the development of a property. Capital expenditures to support the commercial production state are also very substantial.

Matters related to the principal risks faced by the Company have been disclosed in previous MD&A's filed on SEDAR and continue to apply to the activity and business of the Company.

Selected Annual Information

The following selected financial data with respect to the Company's financial condition and results of operations has been derived from the audited financial statements of the Company for the years ended March 31, 2017, 2016 and 2015 prepared in accordance with IFRS. The selected financial data should be read in conjunction with those financial statements and the notes thereto.

The following selected financial information is extracted from the audited annual consolidated financial statements of the Company prepared in accordance with IFRS.

	31Mar17	31Mar16	31Mar15
Interest Income	\$Nil	\$563	\$2,099
Net Gain/Loss for the year	\$(1,278,126)	\$(1,948,792)	\$(1,712,470)
Loss per Share	\$(0.28)	\$(0.21)	\$(0.250)
Total Assets	\$140,723	\$639,438	\$1,958,469
Total Liabilities	\$35,211	\$72,564	\$14,681
Working Capital	\$2,860	\$(20,467)	\$94,236

The referenced audited annual financial statements of the Company above have been prepared in accordance with IFRS. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of consolidated financial statements for a period necessarily involves the use of estimates, which have been made using careful judgment. Actual results may differ from these estimates.

Results of Operations

At March 31, 2017 total assets were \$140,723 compared to \$639,438 as at March 31, 2016. This decrease in assets is a result of decreases in exploration and evaluation assets due to property impairments and terminations that occurred in the year, as well as a decrease in prepaid expenses and offset by long term investments.

The Company has no operating revenues.

During the year ended March 31, 2017, the Company had a net loss of \$1,276,026 compared to a net loss of \$1,948,792 for the prior year. Expenses increased as a result of increases in consulting, management and professional fees, as well as office and general expenses due to multiple private placements that occurred during the year. Activity pertaining to the exploration and advancement of the Company's properties and the acquisition of additional assets has been limited due to financial restrictions of the Company.

Summary of Quarterly Results

	31Mar17	31Dec16	30Sept16	30Jun16	31Mar16	31Dec15	30Sept15	30Jun15
Interest Income	\$Nil	\$Nil	\$Nil	\$Nil	\$563	\$83	\$152	\$247
Operating Costs	\$(172,662)	\$(49,951)	\$(111,640)	\$(106,646)	\$(257,493)	\$(35,784)	\$(14,358)	\$(9,538)
Net Income (Loss)	\$(173,092)	\$(886,748)	\$(111,640)	\$(106,646)	\$(1,948,792)	\$(35,701)	\$(14,206)	\$(9,538)
Total Assets	\$140,723	\$88,354	\$818,167	\$820,192	\$639,438	\$2,302,103	\$2,017,597	\$1,977,827
Total Liabilities	\$35,211	\$131,515	\$61,581	\$49,964	\$72,564	\$21,485	\$12,378	\$3,577
Working Capital	\$2,860	\$(124,129)	\$(41,530)	\$2,387	\$(20,467)	\$8,746	\$49,268	\$81,999

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The following discussion outlines the reasons for some of the variations in the quarterly numbers but, as with most junior mineral exploration companies, the results of operations (including interest income and net losses) are not the main factors in establishing the financial health of the Company. Of far greater significance are the resource properties in which the Company has, or may earn an interest, its working capital and how many shares it has outstanding. The variation seen over such quarters is primarily dependent upon the success of the Company's ongoing property evaluation program and the timing and results of the Company's exploration activities on its then current properties, none of which are possible to predict with any accuracy.

There are no general trends regarding the Company's quarterly results and the Company's business of resource exploration is not seasonal, as it can work on its property on a year-round basis (funding permitting). Quarterly results may vary significantly depending mainly on whether the Company has abandoned any properties or granted any stock options and these factors which may account for material variations in the Company's quarterly net income (losses) are not predictable.

The major factor which may cause a material variation in net loss on a quarterly basis is the completion of private placements which occurred in the June 30, 2016, December 31, 2016 and March 31, 2017 quarter, and a property acquisition that occurred in the December 31, 2015 quarter. General and administrative costs tend to be quite similar from period to period, except in certain cases when there is an increase in corporate activities as may be seen in the quarters ended March 31, 2016 and March 31, 2017 due to the Company's annual audit, and in December 31, 2015 when the Company acquired a new property and amended a current property agreement, and an increase in September 30, 2016, when the Company completed exploration work on its properties.

Significant decreases in assets are seen in the March 31, 2016, December 31, 2016 and March 31, 2017 quarter is due to the impairment of properties at the Company's annual audit and the Company's termination of properties during that quarter. An increase in assets can be seen in March 31, 2017 quarter due to an increase in long-term investments due to shares that were issued to the Company for a property extension. The variation in income is related solely to the interest earned on funds held by the Company, which is dependent upon the success of the Company in raising the required financing for its activities which will vary with overall market conditions, and is therefore difficult to predict.

Liquidity and Capital Resources

The Company has no revenue generating operations from which it can internally generate funds and therefore has been incurring losses since inception. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and the subsequent exercise of share purchase warrants issued in connection with such private placements and the exercise of stock options. The Company also has raised funds through the sale of interests in its mineral properties. When acquiring interests in resource properties through purchase or option, the Company issues common shares or a combination of cash and shares to the vendors of the property as consideration for the property in order to conserve its cash. The Company expects that it will continue to operate at a loss for the foreseeable future and will require additional financing to fund the exploration of its existing properties and the acquisition of potential resource properties.

At March 31, 2017, the Company had cash of \$30,062 compared to cash of \$(157) in the previous year. The Company has no off-balance sheet financing. The Company has no long-term debt. The Company's cash flow has increased due to proceeds received from the issuance of shares from the Company's private placements that were completed in the year.

At this time, the Company has no operating revenues, and does not anticipate any operating revenues until the Company is able to find, acquire, place in production, and operate a resource property. Historically, the Company has raised funds through equity financing to fund its operations.

The Company will need to raise additional cash for working capital or other expenses. In addition, as a result of the Company's activities, unanticipated problems or expenses could result and require additional capital requirements, subject to TSX Venture Exchange policies and approvals.

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The Company has no assets other than cash deposits and has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Management believes the Company does not have sufficient working capital at this time to meet its current financial obligations.

Related Party Transactions

During the year ended March 31, 2017, the Company entered into the following transactions with related parties:

Name and Relationship to Company	Transaction	Year ended March 31, 2017	Year ended March 31, 2016
		\$	\$
Richard Ko, Director and CFO	Consulting Fees	3,600	3,600
1727856 Ontario Limited, a Company controlled by a current director	Geological Consulting Fees	29,500	18,000
Anita Algie, President	Management Fees	115,000	30,000
Ian Graham, Former CEO	Consulting Fees	14,500	Nil

During the year ended March 31, 2017, the Company Issued share based compensation of \$16,811 (2016 - \$114,878) to directors and a consultant of the Company.

The Company issued 2,475,000 common shares with fair value of \$135,000 to settle accounts payable with directors and officers of the Company. The remaining accounts payable of \$3,840 to these related parties was forgiven.

As at March 31, 2017, \$2,290 (2016 - \$16,950) was owed to a director and a company controlled by a common director.

The Company's earn-in agreement on the Carter Lake Property constitutes a related party transaction as Aldever Resource Inc. is related through common directors and officers. During the year end March 31, 2017, the Company terminated its agreement for the Carter Lake Property with Aldever Resources Inc.

The Company's earn-in agreement on the Gulch Mine Property constitutes a related party transaction as Aldever Resources Inc. is related through common directors and officers. On July 5, 2016, the Company received a formal notice of termination from Aldever for the Gulch Mine Earn-In Agreement.

Critical Accounting Estimates

In the application of the Company's accounting policies, which are described in note 2 to the unaudited financial statements for the year ended March 31, 2017, management is required to make judgments, apart from those requiring estimates, in applying accounting policies. The most significant judgments applying to the Company's financial statements include:

- the determination of the Company's ability to continue its operations as a going concern;
- the determination of any impairment on the Company's assets.

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and assumptions concerning the future. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future

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accounting periods include the recoverability of the carrying value of exploration and evaluation assets, fair value measurements for financial instruments, the recoverability and measurement of deferred tax assets, provisions for restoration and environmental obligations and contingent liabilities.

Recently adopted accounting standards and accounting standards issued but not yet effective:

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which replaces IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. IFRS 9 is effective for annual period beginning on or after January 1, 2018.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15 Revenue from Contracts with Customers which specifies how and when an entity will recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. IFRS 15 is effective for annual period beginning on or after January 1, 2018.

IFRS 16 Leases

This new standard was issued with the objective to recognize all leases on the balance sheet. IFRS 16 requires lessees to recognize a "right of use" asset and a lease liability calculated using a prescribed methodology. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. Early adoption is permitted provided that IFRS 15, Revenue from Contracts with Customers, is also adopted.

The Company is currently assessing the impact these standards and amendments may have on its financial statements.

Fair Value of Financial Instruments

1. Fair value of financial instruments

The carrying values of cash and cash equivalents, amounts receivable and trade payables and accrued liabilities approximate their fair values because of their short term nature. The fair values of marketable securities are based on current bid prices at March 31, 2017.

In evaluating fair value information, considerable judgment is required to interpret the market data used to develop the estimates. The use of different market assumptions and valuation techniques may have a material effect on the estimated fair value amounts. Accordingly, the estimates of fair value presented herein may not be indicative of the amounts that could be realized in a current market exchange.

IFRS requires disclosures about the inputs to fair value measurements for financial assets and liabilities recorded at fair value, including their classification within a hierarchy that prioritizes the inputs to fair value measurement. The three levels of hierarchy are:

Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data.

As at March 31, 2017, there are \$98,608 in financial assets at fair value,

During the year ended March 31, 2017, a market-to-market gain of \$25,954 (2016 – \$Nil) for marketable securities designated as available-for-sale has been recognized in other comprehensive income.

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There were no financial liabilities at fair value as at March 31, 2017, and July 28, 2017.

2. Financial instrument risk

The Company is exposed in varying degrees to a variety of financial instrument related to risks. The Board approves and monitors the risk management processes:

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of advances made to related parties. The Company manages liquidity risk through the management of its capital structure and financial leverage. Management does not believe that there is significant credit risk arising from these advances. The maximum exposure to loss arising from these advances is equal to their total carrying amounts.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company monitors its ability to meet its short-term exploration and administrative expenditures by raising additional funds through share issuance when required. All of the Company's financial liabilities have contractual maturities of 30 days or due on demand and are subject to normal trade terms. The Company does not have investments in any asset backed commercial papers. Foreign exchange risk The Company's functional currency is the Canadian dollar. Therefore, the Company is not exposed to foreign exchange risk.

(iii) Market risk

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. Financial assets and financial liabilities are not exposed to interest rate risk because they are non-interest bearing.

(c) Commodity price risk

The Company's ability to raise capital to fund exploration or development activities is subject to risks associated with fluctuations in the market price of palladium, nickel, and gold. The Company closely monitors commodity prices to determine the appropriate course of actions to be taken.

During the year ended March 31, 2017, there were no changes to the Company's risk exposure or to the Company's policies for risk management.

Capital Management

The Company's objectives when managing capital are to ensure that there are adequate capital resources to safeguard the Company's ability to continue as a going concern and maintain adequate levels of funds to support the acquisition, exploration and development of exploration and evaluation assets such that it can continue to provide returns to shareholders and benefits for other stakeholders.

The Company considers the items included in shareholders' equity as capital. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the Company's underlying assets. In order to maintain or adjust its capital structure, the Company may issue new shares or sell assets to settle liabilities. The Company has no long-term debt and is not subject to externally imposed capital requirements.

The properties in which the Company currently has an interest in are in the exploration stage, as such, the Company

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does not recognize revenue from its exploration properties. The Company's historical sources of capital have consisted of the sale of equity securities, loans, advances from related parties and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed.

The Company is not subject to any externally imposed capital requirements.

On April 15, 2016, the Company closed its private placement announced on April 8, 2016. The Company raised \$445,000 through the sale of 741,667 units. Each unit was comprised of one non-flow through common share and one-half transferrable warrant. Each whole warrant will be exercisable for two years from the date of TSX Venture Exchange Approval at a price of \$0.30. No finder's fees were payable. The Company intends to use the proceeds from this offering for general working capital and for exploration expenditures.

On November 17, 2016, the Company closed its private placement announced on November 4, 2016. The Company raised \$100,000 through the sale of 666,667 common shares at a price of \$0.05 per share. The Company intends to use the proceeds from this offering for general working capital.

On February 16, 2017, the Company raised \$125,000 in the first tranche of a private placement. The Company intends to issue up to a total of 833,333 non flow-through common shares at a price of \$0.05 per share for total gross proceeds of \$300,000. The Company received \$75,000 in cash proceeds and issued 1,000,000 common shares to settle accounts payable of \$50,000. Of the amount subscribed, \$21,000 was received in cash subsequent to March 31, 2017. This first tranche of this placement received TSX Venture Exchange Approval on February 16, 2017. On February 24, 2017, the Company received TSX Venture Exchange Approval for the second and final tranche of their private placement and raised an additional \$175,000 by issuing 1,166,667 non flow-through common shares at a price of \$0.05 per share. The Company received \$25,000 in cash proceeds and issued 1,000,000 shares to settle \$125,000 in accounts payable. All shares issued in connection with this offering will be subject to a statutory hold period of four months plus a day from the date of issuance, in accordance with applicable securities legislation. No finder's fees were paid.

On March 21, 2017, the Company received TSX Venture Exchange Approval to consolidate its shares on the basis of 1 (one) post-consolidated common share for every 3 (three) pre-consolidated shares, these shares commenced trading on March 22, 2017. As at March 21, 2017, the Company had 21,063,746 common shares issued and outstanding. Post-Consolidation, the Company had 7,021,239 shares issued and outstanding as of March 22, 2017. The Company's new CUSIP number is 91330C400 and the new ISIN is CA 91330C4002. A Letter of Transmittal with respect to the consolidation was mailed to shareholders of the Company.

On March 30, 2017, the Company reached an agreement with an arm's length vendor to acquire a 100% interest in the Espior Gold Project. Under the terms of the agreement, the Company can earn 100% interest in the claims by paying \$10,000 cash upon the signing of the agreement and issuing 700,000 common shares within three (3) days of TSX Venture Exchange Approval. The Company is also obligated to make cash payments of \$25,000 on or before March 29, 2018, \$25,000 on or before September 29, 2018; make a cash payment of \$100,000 on or before March 29, 2019 and incur no less than \$500,000 in exploration expenditures within three (3) years of the signing of the agreement. A 2% Net Smelter Royalty ("NSR") has been granted to the vendor, of which 1% can be purchased by the Company for \$1,000,000, if purchased within six (6) years of the signing of the agreement.

Subsequent to year-end, Unity announced that they had withdrawn from the agreement and will no longer pursue the acquisition.

Outstanding Share Data

As at July 28, 2017, the Company had 7,021,239 common shares issued and outstanding. As at the same date, there were 370,833 warrants outstanding at an exercise price of \$0.30 per share. Additionally, no stock options were outstanding. The Company's outstanding options as at March 31, 2017 expired on April 25, 2017.

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	<u>Number of Shares</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Issued and Outstanding	7,021,239	-	\$Nil	N/A
		-	\$Nil	N/A
		-	\$Nil	

Warrants

<u>Number Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
370,833	\$0.30	April 15, 2018
370,833		

(1) Authorized and Issued Capital Stock

a) Authorized - Unlimited common shares without par value.

b) Issued

As at March 31 and July 28, 2017, the Company had 7,021,239 common shares issued and outstanding.

(2) Options and Warrants Outstanding

a) Stock options outstanding are as follows:

The Company has a Rolling Stock Option Plan (the "Plan"), which follows the policies of the Exchange regarding stock option awards granted to employees, directors, and consultants. The stock option plan allows a maximum of 10% of the issued shares to be reserved for issuance under the plan.

On March 30, 2016, the Company granted 190,000 incentive stock options to various consultants and an officer of the Company, vesting immediately, to purchase 190,000 common shares at a price of \$0.26 for a period of one year from the date of issue.

As at July 28, 2017, all options expired, the Company had no stock options outstanding.

b) Warrants outstanding are as follows:

On April 15, 2016, 370,833 warrants were issued in connection with a private placement that was completed during the quarter. Each warrant is exercisable at a price of \$0.30 per whole warrant for two years from the date of issue.

As at March 31, 2017 and July 28, 2017, the Company had 370,833 warrants issued and outstanding.

Subsequent Events

There are no subsequent events to report.

Additional Information

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com.